



Digitising the Consumer Experience

Technology has had a profound impact on all realms of our daily lives, and the retail industry is no exception to this. Multiple touchpoints, omnichannel presence, and the rapid speed of technology take up are all challenges presented by consumerism in a Digital Age. Together, these are rewriting the rules on consumer behaviour and have transformative potential in the way retailers interact with consumers both in-store and online.

The Internet of Things: Dispelling the Myths

The broad term the 'Internet of Things' refers to an interconnected ecosystem of Internet-enabled physical objects/sensors able to send and receive data, analyse and control one another. From digital signage and smart shelving inventory management, to Augmented Reality and beacons, **the possibilities of IoT are expanding aggressively** and promising to take retail to new heights. This is a time of opportunity for retailers, allowing greater insight on not only who their customer is, but transforming how customers communicate and ultimately providing new ways of engaging with these customers. To that end, the IoT is poised to transform the retail industry. As industry experts gaze into their crystal ball Intel, amongst many other companies and up-to-the-minute marketers, have spoken out to say IoT is on the cusp **of disrupting and revolutionising the retail industry.**

There is now an onus on you as retailers to take advantage of this trend.

Bricks and Mortar No More?

With an upsurge of people shopping solely through online platforms it was previously predicted that in-store retailing would soon become obsolete, and the notion of shopping on your local high street a thing of the past. There were hasty predictions made in 2012 that nearly half of the high street would close within the next five years, and lined instead with Internet kiosks. Despite being able to buy almost anything online today within a couple of keystrokes, recent data would suggest the contrary. PWC 2017 Holiday Outlook findings report that 81% Gen Z to prefer to do their holiday shopping in-store over online, **with 40% saying they will only shop in store.** This demographic appears to act against commonly held beliefs that Gen Z would show a preference for e-commerce.



This data would indicate a **resurgence in in-store shopping**, and in-store specials including fun experiences and live events are likely to increase this. What's more, the weakness of online shopping soon becomes the advantage of brick and mortar stores-offering what online cannot compete with; **a physical experience.** With a heavy importance placed on understanding the customer shopping journey, retailers are able to make customer-centric moments of engagement in-store.

Proof of this can be seen with big online brands, such as Women's apparel store Missguided, opening up brick and mortar stores on the High Street for the first time in order to meet the demands of a multichannel world. In doing this, retailers are reintroducing stores



with a new feel and function to sustain a competitive edge.

With tech savvy and time poor consumers, there is now a need to implement technology that will help to achieve a frictionless and positive in-store experience for consumers. **Personalisation** has become the best way for brands to differentiate themselves from their competitors, by providing a more relevant and engaging customer experience. This can be done using all the available data to create experiences that make it easy for shoppers to find and purchase the products and services that are right for them.

Digitising the Shopping Experience

The impact digital devices are having on in-store purchasing behaviour has surpassed initial expectations. Specifically, mobile technology is being used within brick and mortar stores to influence how consumers make decisions in-store. Whilst **94% of all retail sales take place within the confines of a physical store**, Deloitte's 2014 research shows that consumers prefer to use their mobile devices for assistance. This is opted for over unmanned devices (kiosk, digital displays), and sales associates in the following in-store shopping activities:

- 📍 When looking up item price (59% compared to 17% of people who referred to sales associate)
- 📍 Get product information (52% compared to 20% of people who referred to sales associate)
- 📍 Check item availability (51% compared to 22% of people who referred to sales associate)
- 📍 Checkout/making a payment (48% compared to 24% of people who referred to sales associate)



52% of consumers prefer to use their mobile devices to get product information when shopping in-store



- 📍 Navigating to item (47% compared to 20% of people who referred to sales associate)

It can therefore be seen that smartphones are most commonly being used to check/compare prices and research product information when in-store, and this shopping behaviour is more prevalent in younger shoppers under the age of 35. Furthermore, projections indicate that **the digital impact on in-store shopping and purchasing will continue to grow**. In-store retail sales influenced by the use of web enabled mobile devices **grew 32% from 2015 to 2016 alone**.

In addition to this, according to Mastercard, these **omnichannel shoppers spend up to 250% more**. This was supported by Google Shopper Marketing Agency Council, who found that shoppers who use their mobile more during shopping, spend more in-store. The use of mobile devices when shopping can then be said to not only be influencing consumers path to purchase, but also increasing their basket size annually.

Whilst a considerable amount of in-store revenue is influenced by digital interaction (**equating to \$0.56 of every dollar spent in a store**), it's anticipated that the

majority of retailers will fail to embrace this trend. Research conducted last year on

behalf of BT found that the majority of retailers will continue to rely on in-house and on-premise applications to support their digital initiatives, thereby making no plans to outsource to other platforms, software and service within the next 18 months.

Deloitte conclude from these findings that retailers who fail to leverage this expectation consumers now



have for an omnichannel shopping experience are **at risk of creating a new digital divide between themselves and competitors**. Ultimately, this poses a serious threat to overall revenue, and is forcing retailers to digitise the consumer experience.

Overcoming the Brick vs Click Mentality

As technology has progressed in this Age of Information, we now have more touchpoints than ever before. **Consumers in the UK, on average, access information on three different devices before making a purchase decision**, thereby challenging the traditional retail landscape. Managing such interactions and **providing a seamless experience across touchpoints is a key challenge** for most retailers.

It is abundantly clear that retailers need to integrate digital and mobile into business strategy. This will enable you to offer a seamless, and integrated customer experience, one that includes mobile as well as physical POS. Digital channels should no longer be considered in isolation to the business. Doing this will allow you to bring together personalisation, convenience and flexibility into a single shopping experience at a physical store.

“It is critical to ensure that stores, the Internet, and other channels work together in a cohesive manner”

Collier’s International’s latest report - ‘Time for a Change: As shopping behaviours evolve, the retail experience must follow’ - suggests that it is “critical to ensure that stores, the Internet and other channels work together in a cohesive manner”. To do this, **retailers are required to blend together the benefits of physical stores and the virtual world of e-**

commerce. Success lies in ensuring each channel serves a specific purpose, whilst also supplementing others.

Offering a customised shopping service with an intensely personal experience as customers have come to expect, is reliant on retailers capturing data around these shoppers and their interactions.

This is one of the greatest challenges facing the future of retail, given that customers want an increasingly personalised feel, **without an intrusion of their privacy**. This personalisation-privacy paradox is a concern of data management. To avoid this intrusion, retailers need to consider how to use this channel effectively to connect with customers. However, the Near Field Communication system of messaging involves the active choice of the mobile user to move their phone near the transmitter. This also deploys opt in messaging via beacons.

Iconeme

Iconeme is a technology company, formed by people in the business of retail for retailers. This technology offers real world solutions to this problem, **enabling mobile devices to drive foot traffic to stores and drive sales**. Long gone are the days of finding the right store based on familiarity or serendipity. The VMBeacon brings together the online virtual world and the bricks and mortar shopping experience, combining the two to create a more real and rewarding experience.

Using visual merchandising equipment distributed through our partner company Universal Display, **mannequins in the shop window or within the store environment communicate with a customers smartphone via an app**. When the customer walks past visual merchandising equipment that incorporates a VMBeacon, an alert is triggered from a range of 30 metres. The VMBeacons provide shoppers with further information on items in your



windows/store via the Iconeme free iOS and Android app, a white label app or API embedded in your own app.



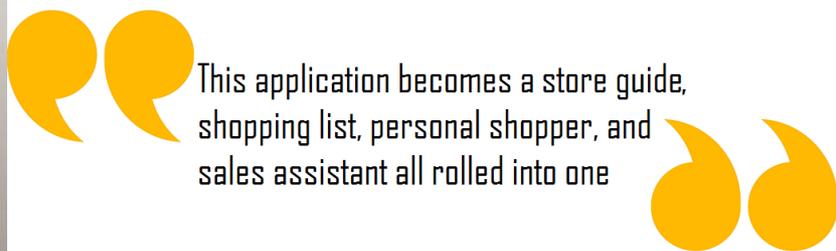
The Iconeme app in action.

This allows the mannequins to open a dialogue with the customer, sharing the look, giving them detailed style sheets of the clothing that is on offer. This can lead to a number of different activities:

- 1. Exploring the retailers website through a direct link, and to their checkout.
- 2. Inform them where the products are in the store.
- 3. Share looks and products with friends and family via messenger or social media.
- 4. Save styles and products to look at later, or refer to a friend for a second opinion. These saved looks can then be browsed at a later time with the ability to purchase items from the retailers website.
- 5. Inform them of offers and promotions available within a store when they are in range of a VMBeacon, and when they are away from the store.

This application becomes a store guide, shopping list, personal shopper, and sales assistant all rolled into one. **With Iconeme, your business caters for customers who are always connected and engaged anywhere at anytime**, enabling your store to offer a blended experience.

Whilst compliant with mannequins, this system works equally as well without. This **makes it suitable for all types of stores**, including electrical, homeware, grocery, even art galleries!



Additionally, Iconeme delivers comprehensive analytics to you the retailer to allow you to further understand your shoppers habits and to tailor product in your stores to your customers' needs and wants. Iconeme does this whilst only asking for you age group, gender and dress size. With information such as the what item details have been requested, gender, price, and age demographic you are better informed, taking the guess work out of your marketing and merchandising decisions.

Benefits of implementing this system across your stores includes:

- 1. Customised and compelling messaging alerts (with offers and rewards) created and assigned dependent on location or VMBeacon. This can be changed and edited through your online portal.
- 2. A web portal enables you to administer VMBeacons and full control of the app content. Here you can manage designs with the ability to add/edit/delete products and assign to specific VMBeacons across multiple



stores. Bulk imports of items can be achieved manually or via a CSV file.

- ⌚ The Portal gives comprehensive analytic reporting. This can provide you with a detailed breakdown of VMBeacons including store, store location, and designs.
- ⌚ Further analytics measure click through behaviour, providing information as to what products are being linked and viewed on retailers websites. All data can be viewed over a date range and downloaded via a CSV file.
- ⌚ Maintenance free with a battery life of 2-3 years. Beacons transmit 24/7.
- ⌚ Security was at the forefront of design construction, with beacons being protected from climatic changes, theft and malicious damage.

This is an exciting way to deliver a store experience that remains engaged with consumers throughout their visit, assisting and educating them as they need.

All of this works to drive your sales, with the fight back of the high street.

Closing Thoughts

One thing that is certain within the retail industry is that change is the only constant in an always evolving marketplace. That being said, **keeping up with technology is no longer a choice, but a necessity.** Mobile marketing is now a business imperative. The IoT has been dubbed the next Industrial Revolution and so there is a need to invest in technology and innovate within stores to prevent becoming a laggard. Furthermore, **early adopters of this new and integrated approach will be better positioned to more readily deliver IoT-enabled capabilities that can increase revenue, and drive brand loyalty.**

With smartphones now acting as an instore advisor, success lies in offering a seamless experience across

different channels. Businesses need to be structured to ensure you can offer an enjoyable shopping experience through every channel of communication. It is therefore fundamental for your stores brick and mortar strategy to be digitally savvy, so your on-the-go customers can access digital information as and when they need it through a differentiated brand experience.



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